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ABSTRACT

In May 1996, the Education Commission of the United States, with the support of the Charles A. Dana Foundation, convened a 2-day meeting in Austin (Texas) to focus on urban school district reform and restructuring. Participants, who included state policymakers, superintendents of several urban school systems, and a number of education researchers and scholars, assessed the progress of efforts to redesign urban school systems and worked to develop new approaches to the this complex task. To date, not a single large urban school system has proved capable of transforming itself fully. Even the most highly publicized and well-regarded reforms have yielded only minimal results. However, meeting participants identified a number of encouraging developments. These signs of positive change included: (1) recognition by policymakers, elected officials, educators, and the public of the importance and urgency of improving urban schools' performance; (2) increased receptivity to bolder and more comprehensive approaches to redesigning urban districts; (3) a growing array of innovative programs, models, and strategies that are beginning to show results in terms of school quality and student achievement; and (4) external pressure for change that is coming from the charter school and voucher movements and state-level interventions such as privatization, district takeovers, and decentralization. After a brief look at some of these promising approaches, the report concludes with an in-depth look at three urban school districts--Baltimore (Maryland), Chicago (Illinois), and Minneapolis (Minnesota)--where restructuring efforts are among the most creative in the nation. (SLD)

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redesigning the URBAN SCHOOL DISTRICT

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March 1997

Education Commission of the States
707 17th Street, Suite 2700
Denver, Colorado 80202-3427
303-299-3600
FAX: 303-296-8332
e-mail: ecs@ecs.org
http://www.ecs.org

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The Charles A. Dana Center at the University of Texas hosted the meeting.

INTRODUCTION

In May 1996, with the support of a grant from the Charles A. Dana Foundation, the Education Commission of the States (ECS) convened a two-day meeting in Austin, Texas, focused on the issue of urban school district reform and restructuring. Participants included state policymakers, superintendents of several urban school systems and a number of nationally known education researchers and scholars.

The purpose of the meeting was to assess the progress of efforts to redesign urban school systems, to review what has been learned and to develop a fresh set of approaches to this complex, challenging and increasingly urgent task.

Meeting participants focused initially on the limited scope and uneven pace of urban-district reform over the past decade. To date, not a single large, urban school system has proved capable of fully transforming itself. Even the most highly regarded and widely publicized redesign initiatives, such as those undertaken in Dade County, Florida; Rochester, New York; and San Diego, California, have yielded only minimal results.

It was generally agreed that the majority of urban school systems remain fundamentally untouched by reform. While many districts have downsized and/or reorganized their central offices, traditional district structures, functions and relationships for the most part have been neither rethought nor redesigned.

On the other hand, meeting participants identified a number of encouraging trends and signs of progress. Those signs included the following:

- Policymakers, elected officials, educators and the general public recognize the importance and urgency of improving urban schools' performance.
- Many policymakers and practitioners are receptive to bolder, more comprehensive approaches to redesigning urban districts.
- A growing array of innovative programs, models and strategies has begun to show results in terms of improved school quality and student achievement.
- External pressure for change is coming from the charter school and voucher movements and state-level interventions such as privatization, district takeovers and decentralization.

This report represents an attempt to capture, and explore in greater depth, some of the major themes and ideas that emerged from the two-day meeting in Austin. It provides a brief look at some promising new approaches to urban school improvement and examines the increasingly active role of states in creating a new kind of urban school district, better equipped to deal with the extraordinary diversity and special needs of the student population.

The report concludes with an indepth look at three urban school districts — Baltimore, Chicago and Minneapolis — whose restructuring efforts are viewed as among the boldest and most creative in the nation.

REDESIGNING THE URBAN SCHOOL DISTRICT

Of all the problems facing American policymakers, none is more vexing, resistant to solution and crucial to the nation's future than the chronic low performance of urban school systems. The continued failure, however, to bring students in inner-city schools to a level of academic achievement that will allow them to participate fully in today's more demanding world is not for lack of trying. Not only public authorities but also charitable foundations and businesses have poured their resources, ideas and talents into the task of improving urban schools. Despite this, the future continues to appear bleak for many children in inner-city school districts across the country.

In Baltimore, for example, not a single 3rd-grade student in the city's public schools last year was reading at grade level. In Cleveland, only 33% of 8th graders finish high school, and of those who continue on to 12th grade, only 12% pass Ohio's proficiency test in reading, 11% in writing and 3% in math. In New York City, 3rd-graders perform more poorly in reading than students in other parts of the state, even when poverty levels and other factors are taken into account, and, even worse, the achievement gap seems to widen as students progress through the grades.

To be sure, urban schools over the past several decades have had to cope with extraordinary challenges. The students they serve are more than twice as likely to be living in poverty as other children, more likely to have difficulty speaking English, less likely to live in a two-parent family, almost twice as likely to be assigned to special education, far more likely to drop out (in some urban districts, two-thirds of all students) and more likely to move frequently, disrupting their schooling.

Further complicating matters, reform in urban systems is stymied by state and district bureaucracy, collective bargaining, patronage and a bewildering maze of legal and regulatory constraints that do not sufficiently take into account the unique needs of and characteristics of urban schools. Far too often, policies in urban districts are driven by political considerations and the needs of adults who work in the system, rather than by students' needs. And, finally, the education bureaucracy usually shows a deep resistance to change — or even to engage in discussion about change with the community.

Among the public, and even more intensively among policymakers, there is a corrosive skepticism on two fronts: a widespread doubt that inner-city students can learn anything except at the most basic levels, given their environment and family background, and a lack of confidence that inner-city schools can change themselves so as to provide a successful schooling experience for all students.

Clearly, the condition of urban school systems — which collectively are responsible for educating 11 million students or roughly one-fifth of the nation's school-age population — is an issue of mounting concern. Opinion polls, surveys and focus groups suggest rising public frustration with the status quo, and an increased receptivity to reform strategies that only a few years ago would have been considered radical — privatization, vouchers, the breakup of large districts into smaller units, and even the takeover of schools and districts judged "academically bankrupt."

Opinion polls, surveys and focus groups suggest rising public frustration with the status quo, and an increased receptivity to reform strategies that only a few years ago would have been considered radical.

In this sense, the news is not all bad. State leaders are demonstrating significantly greater willingness to take initiative and exercise their authority to induce improvement in urban schools, and they are doing so with what appears to be increasing public approval and support.

While the poor condition of the nation's cities and their schools may at times seem overwhelming, it is not hopeless. For the first time in decades, there has been an improvement over the last two years in some of the most troubling characteristics of

American life and particularly of American cities — the seemingly intractable number of poor children, along with high juvenile crime rates, teenage pregnancies and unemployment. Cities, in general, seem to be making an economic comeback. At the same time, a number of urban schools are succeeding in turning around children's lives in spite of the odds, helping them to achieve at levels well beyond what has been expected.

The challenge now is to devise strategies that promote the creation of a new type of urban school district that is more motivated and better equipped to meet the education needs of students and families.

Following is an examination of some promising approaches that have emerged at the school, district and state levels, and several key policy mechanisms state officials are using to help bring about change and improvement in urban districts.

SIGNS OF PROGRESS

Thanks to the determined efforts of policymakers, educators, and business and civic leaders over the past 15 years, a growing array of innovative strategies, models and designs has succeeded in improving student achievement and school quality, even in the harsh environment of the inner city.

Among some of the promising developments identified by participants in the Austin conference are the following:

- A growing number of urban schools are participating in networks focused on whole-school restructuring or on specific reform approaches, such as Success for All, Accelerated Schools, the Coalition of Essential Schools and the New American Schools designs. While not every school affiliated with such networks has experienced success, a growing number have demonstrated significant gains in daily attendance, graduation rates, parental involvement, student achievement, and successful transition to the workplace and/or postsecondary education.
- A number of more narrowly focused programs have proved effective in increasing student achievement in reading, writing, mathematics and science. They include, for example, Reading Recovery, Avid, High Schools that Work (Southern Regional Education Board), Equity 2000 (The College Board), the California Writing Project and the International Baccalaureate Program. As with the whole-school networks, the success of these programs clearly depends on the extent and intensity of the school staff's commitment to them and a determination to stick with them long enough to have an impact.
- Interest is growing in the development of accounting systems — such as the one that New York City recently installed — that allow policymakers and the public to more reliably evaluate the way resources are allocated and used. Clear accounting and demonstrated progress toward improved performance are essential to gaining public support for increased spending on urban schools.
- Some states are considering legislation that reflects new approaches to labor-management relations, including proposals to narrow the scope of collective bargaining, as in Illinois and Michigan, and to change the nature of the collective-bargaining process, such as two-tier bargaining or the state-level policy trust agreements approved by the National Association of State Boards of Education.
- More and more schools are seeing positive results from supplementary programs and services designed to address the special needs of urban students and families. These include programs such as the following:
  - — Mentoring programs, such as One to One: The National Mentoring Coalition, which recruits adult mentors for at-risk students, and Campus Compact, an ECS project which has helped organize mentoring and other community service programs at more than 500 colleges and universities.
  - — Programs aimed at improving at-risk youngsters' readiness for school and educating parents on the harmful effects of malnutrition and drug and alcohol abuse during pregnancy.

— Initiatives aimed at creating a more coordinated approach to providing social services to children and their families, both at the state and local levels. Examples range from Minnesota's consolidation of its education and child development departments to a new Kansas City effort that brings funding for various social service agencies under the control of a local board.

THE NEW ROLE OF THE STATE

As encouraging as these developments might be, a number of major barriers remain to fundamentally improving American's urban school systems.

Clearly, state officials no longer can afford to dismiss city education problems as "local control" issues beyond the scope of state policy. The urgency of the matter and the complexity of the issues require new kinds of collaboration between city and state, coupled with new kinds of policy.

Growing frustration over the performance of inner-city schools has spawned a variety of new, and sometimes radical, approaches to how urban districts are organized and managed. These efforts include initiatives to break urban systems into smaller units (Los Angeles, New York City, Albuquerque, Las Vegas), to privatize district operations (Baltimore, Hartford, Milwaukee), to redesign and/or privatize the district's top management (Minneapolis, Chicago), and to establish private-school voucher programs (Milwaukee, Cleveland, Puerto Rico).

In a few instances, such initiatives have originated at the district level, as was the case in Minneapolis. More often, they have been the result of legislative action, demonstrating state officials' greater willingness to take initiative and exercise their authority to address what they see as a desperate situation.

Perhaps the most compelling sign of the level of frustration has been the state takeover of urban districts.

Perhaps the most compelling sign of the level of frustration has been the state takeover of urban districts in New Jersey (Newark, Jersey City, Paterson), Ohio (Cleveland), New York (Roosevelt), Rhode Island (Central Falls), Pennsylvania (Chester) and Illinois (East St. Louis).

But direct intervention in low-performing districts is only one of a variety of policy mechanisms state officials are using to induce change in urban districts. These initiatives generally fall into four categories: governance, funding, school choice and accountability.

Governance

In the current debate over education reform, it is generally agreed that efforts to improve the quality and performance of public schools are greatly constrained by the education system itself — the complex mass of laws, rules and regulations that control the daily life of schools.

Such concerns have given rise to initiatives aimed at changing the relationship between schools and the public agencies that authorize and oversee them, and giving schools greater freedom in such areas as staff hiring, resource allocation and program design. The goal is to promote innovation, allow schools to be more responsive to parents' wishes and students' needs, give teachers and administrators a stronger sense of purpose and responsibility, and encourage schools to use their resources more efficiently and effectively.

These initiatives include:

- *Decentralization*. Several large urban school districts, including Cincinnati, Chicago, Denver and Seattle, have taken steps to reduce their central office staff, shift various functions to sub-districts or to local schools, and increase the participation of parents and teachers in school management and decisionmaking. Perhaps the most comprehensive and ambitious decentralization effort is under way in the Canadian province of New Brunswick, where school boards have been abolished and governance of the elementary and secondary education system has been reorganized around parent-focused structures at the school, district and provincial levels.

Decentralization requires considerable delegation of powers long held by states and central district offices, and must be accompanied by responsible deregulation and reduced bureaucracy. In turn, the people making the decisions — those closest to the students — must be held accountable for students' meeting higher standards.

In a decentralized system, the focus of school boards and central district offices would be shifted from monitoring compliance to providing technical assistance and support, and from spending money according to centrally developed priorities to responding to individual schools' needs and requests. At the same time, while states provide districts with regulatory relief and autonomy, they must continue to ensure that equity, safety, fiscal responsibility and other public priorities are upheld.

- *Charter clusters, districts and networks.* Several large urban systems, including Los Angeles, are using their state's charter-school legislation to experiment with a more flexible, less bureaucratic system of governance. One promising approach is the idea of a charter cluster. This idea uses the charter school law to enable staff of a neighborhood high school and its feeder middle and elementary schools to work together to restructure their schools themselves.

  Another concept is charter districts, in which all district schools have the opportunity to become charter schools. Two principal approaches have been proposed: (1) geographic charter districts, in which each school within a given area can convert to charter school status upon meeting a set of criteria, and (2) "virtual districts," in which school staffs who wanted to join a network of schools adopting a particular approach to reform (for example, Roots and Wings, the Coalition of Essential Schools or Modern Red Schoolhouse) would receive a charter to join the network.

  A variation of the charter-district idea has been proposed by Paul Hill of the University of Washington. In Hill's model, a district would contract with various reform networks to form sub-districts of like-minded schools. The central office would become a broker of services from the reform networks. Schools would have responsibility for their budgets and purchase services from the networks, the central office or other providers.

- *Public corporation model.* Yet another model that has attracted attention and interest is the idea of creating a public corporation for schools, modeled along the lines of those used to run Amtrak, the U.S. Postal Service and other city, state and federal enterprises. Public corporations typically are overseen by a board appointed by elected officials. The board, in turn, hires a chief executive who has the power to make operating decisions.

  Applying this model to the school system, the chief executive (formerly the superintendent) would have greater authority and ability to focus on improving student and school performance and would be relatively insulated from partisan politics and interest-group squabbles. It also could provide the opportunity to strengthen accountability through such methods as performance-based funding. Baltimore's proposed Public Schools Authority is one example of how such a corporation might be organized.

School Choice

Enrollment choice — allowing parents to choose where their children get an education — is one of the primary tools state officials are using to increase the education system's versatility and responsiveness.

Thirty-nine states and the District of Columbia currently provide for some type of enrollment choice. In 13 of these states, families have the right to choose a public school from any district in the state, not just their own. Most states, however, provide more limited options, with students being allowed to attend any school within their home districts, but not to cross district lines.

A major objective of open-enrollment policies is to bring about change and improvement by forcing schools to compete for students. Advocates believe schools will be pressured by the potential loss of students — and the subsequent loss of funding — to improve their instructional programs.

Another key objective is to diversify and expand the range of educational opportunities, experiences and environments available to students. Open

enrollment provides parents greater latitude in selecting a school suited to their child's particular interests, abilities and learning needs.

Proponents of school choice also cite another important, but often overlooked, outcome: stronger connections among schools, students and parents. The very act of choosing, they argue, causes parents to become more involved in their child's education. It creates an important relationship between a family and a school, and engenders a sense of ownership, pride and a set of shared expectations.

Participation in choice programs is low, but growing steadily year by year. The number of students taking advantage of Minnesota's open-enrollment program increased from 5,940 students in 1990-91 to 14,016 in 1994-95. Massachusetts has experienced similar growth, increasing from 1,000 students in 1991-92 to 5,111 in 1994-95.

Participation in choice programs is low, but growing steadily year by year.

Funding

States also are using a variety of funding mechanisms to help induce change and improvement in urban school districts, including the following:

- Financial incentives, including performance-based funding, awards for excellence and mini-grants in such areas as technology, work-force preparation and specialized programs for at-risk youth.
- New accounting systems designed to give policymakers and the public a clearer, more reliable picture of how money is allocated and spent, and provide objective data on which to base decisions about reallocating funds.
- Support for schools as they undertake restructuring. This includes greater support for professional development of teachers and principals, a reorganized state department of education and district departments focused on technical support useful to schools, and expanded access to and use of school reform networks.
- Increased state support for Head Start and other school-readiness programs, adult literacy efforts and violence-prevention programs. States and cities also are working together to improve the coordination and quality of services to children and families. Such initiatives are under way in Minneapolis, San Diego, Memphis and Kansas City.

Accountability

Twenty-two states have established accountability mechanisms that allow state officials to monitor more closely school district performance and to intervene directly in the operation of low-performing districts. Typically, such accountability systems include common performance standards and measures that provide comparative information across districts and a continuum of interventions that can culminate in loss of accreditation, state takeover and other sanctions for districts judged "academically bankrupt."

Intervention policies vary from state to state. In some, intervention occurs when a district has a large number of low-performing schools. In other states, intervention may occur when only a few schools are low-performing. The most drastic type of intervention is when a state completely takes over a school or district, replacing the leadership with state-appointed superintendents and board members. Prior to a complete takeover, schools or districts usually have several opportunities to show improvement and may receive additional resources and/or professional support to help them succeed.

Twenty-two states have established accountability mechanisms that allow state officials to monitor more closely school district performance.

There are many questions and unresolved issues as to the effectiveness of academic bankruptcy laws. A recent ECS review of the research focused on this topic showed that:

- Academic bankruptcy takeovers occur most often in urban districts where other problems, such as financial mismanagement, exist in addition to low performance. State leaders need to find ways to look at urban issues holistically and develop effective strategies for meeting urban schools' unique needs.
- While some progress has occurred in schools that have been taken over, it seems to take many years for real changes in student achievement to occur. A longitudinal study of districts in which improvements were seen might help identify strategies for helping other districts raise achievement in a short period of time.
- Districts that have been taken over usually receive some form of additional financial support. It is critical, however, that a district's long-term success not depend on these additional funds because once the state withdraws from the takeover, the extra funds are likely to be gone as well. State officials need to find ways of using existing resources to fund proven practices in low-performing districts.

Another idea that has drawn interest is that of using an independent commission to monitor and serve as an advocate for reform efforts in districts beset with political turmoil and other problems. One good model is the Prichard Committee, which has served this role in Kentucky for the past 13 years. Its members, which include business and community leaders, have been able to hold elected officials' feet to the fire, report regularly to the public and serve as a neutral convenor for public discussion of critical issues.

Another example is the Boston Compact, which has worked with the Boston school system based on a five-year contract stating measurable goals and objectives.

CONCLUSION

So far, efforts to improve urban schools have been limited. No state has yet undertaken a full partnership with an urban district to bring about systemic changes that would dramatically increase the number and quality of learning opportunities for young people. State officials have not yet done all they can to coordinate and refine how they provide services to students and their families. And no urban school district has come close to testing the limits of what it can do differently to better meet the needs of the children it serves.

Restoring the health and vitality of urban school systems is a task of enormous scope and complexity. State and city leaders must work together to improve the urban education system as a whole — not just parts of it. Together, they must acknowledge that urban systems face unique problems requiring unique changes in policy, funding, operating environment, working conditions, politics and communication.

What is needed now is simultaneous action in three areas:

- Deeper investigation into the properties and components of potential new district designs
- Careful monitoring of the progress of current initiatives
- Expanded awareness of and support for successful strategies so policymakers and educators will apply and have the patience to stick with them.

The following section provides a close-up look at three urban school districts — Baltimore, Chicago and Minneapolis — that are undergoing profound restructuring and change and, in the process, charting a course for the next crucial stage of urban school improvement.

DISTRICT PROFILES

BALTIMORE

Finding ways to improve Baltimore's public schools has been a challenge for state and local education officials, who have tried a variety of approaches. In fall 1995, the Baltimore school board terminated its contract with Education Alternatives Inc., ending a turbulent three-year experiment in school privatization that garnered national attention.

More recently, the city and the state managed to settle three complicated lawsuits concerning special education and funding equity. In a precedent-setting move, the presiding state and federal judges decided to roll the cases into one trial, but lawyers for all sides were able to settle on a tentative agreement before going to trial.

The agreement, which was recently ratified by the legislature, will funnel $254 million in additional state aid to the Baltimore schools over the next five years. In exchange, the city will enter into a partnership with the state. This partnership would result in a new, nine-member Board of School Commissioners to be jointly appointed by Governor Parris Glendening and Baltimore Mayor Kurt Schmoke, based on recommendations from the Maryland State Board of Education. Four board members must have a background in administrative leadership, three must have education expertise (one in special education), and at least one must be the parent of a public school student.The board also must include a Baltimore public school student who will serve in a non-voting capacity.

The agreement further stipulates that the city's schools will be operated by a chief executive officer who will replace the local superintendent and report directly to the new board. This CEO will select chief academic and financial officers to round out the management team. According to the terms of the consent decree, the CEO's employment "is contingent upon demonstrable and continuous improvement in the academic performance of students in Baltimore City and sound management of the school system."

The new board must immediately develop a transition plan to direct district operations during the 1997-98 school year. By March 1, 1998, a master plan designed to increase student achievement must be in place. The master plan also must ensure improved school and school system management, and a high level of accountability.

The consent decree also calls for an independent consultant to evaluate whether and how much district schools improve in the areas of education and management. Additionally, the board must issue an annual public report.

The Baltimore public schools have been embroiled for many years in litigation over funding equity and special education. While the battles have raged on, overall student achievement has plummeted. According to the 1996 Maryland State Performance Assessment Program, only 11.2% of Baltimore 3rd-graders, 10.9% of 5th-graders and 7.9% of 8th-graders were able to read at the excellent or satisfactory level.

In Maryland, schools that fail to demonstrate improvement — particularly those showing declines in student achievement — can become eligible for "reconstitution," meaning the state requires program reorganization or staff replacement. The threat of reconstitution has been felt most acutely in Baltimore, where 50 of the city's 180 schools have been deemed eligible.

In December 1994, the American Civil Liberties Union (ACLU), in *Bradford et al. v. the Maryland State Board of Education* (MSBE) *and the State Superintendent*, charged that Baltimore's children were receiving an inadequate education and that the schools were inadequately funded. The ACLU sought a court order directing the state and district to develop a plan to improve education in the city's schools and demanded increases in state spending for education.

All along, various reform strategies had been implemented to try to improve the educational services offered to Baltimore children. For example, in 1992, the city contracted with Education Alternatives Inc. (EAI) to take over operations of nine city schools eligible for reconstitution. But EAI's performance did not meet expectations, and its contract was terminated in 1995.

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According to Maryland Delegate Howard P. Rawlings, "Over the years, the school system has appeared to be moving forward only to retrogress into a business-as-usual mode once the initial fanfare about the latest reorganization or program has subsided."

Some people believe the Baltimore school system is finally headed in the right direction. Ron Peiffer, assistant state superintendent for school and community outreach, says the redesigned district organization "adds many accountability components to the system that the old organization lacked and depoliticizes the working environment for administrators. [Also], some reconstitution-eligible schools have made improvements in their learning environments and brought back a level of order."

. . . the redesigned district organization "adds many accountability components to the system that the old organization lacked and depoliticizes the working environment for administrators."

State School Superintendent Nancy S. Grasmick believes the proposed agreement "underscores the importance of partnerships and of everyone working for the best interests of the children of Baltimore. None of this could have been accomplished without the vigorous efforts, vision and determination of [some of the state's top] leaders."

According to the *Baltimore Sun*, Schmoke said he hoped the city's students would remember the agreement signing as "the day that the adults stopped fighting one another and joined and started fighting for the children."

CHICAGO

It would be hard to find a school district as embroiled in turmoil as the Chicago public school system. Over the past decade, it has ranked as the nation's worst in terms of student achievement and among the worst in attendance and graduation rates.

In the late 1980s, lawmakers responded with a large-scale deregulation experiment, taking exclusive control away from the district's central office and sharing it with parents and others in the form of local school councils established for each of the district's 560 schools.

Of the 10 members on the original councils, six were parents. They were given the authority to hire and fire principals and write the schools' improvement plans. In the first year, 49 principals were let go. And after four years, researchers found that schools with strong parent leadership, which had taken hold in up to one-third of the district's elementary schools, were demonstrating improved performance.

The establishment of local school councils in Chicago "unleashed enormous amounts of civic energy around education," says Anne Hallett, executive director of the Chicago-based Cross City Campaign for Urban School Reform. Where there used to be few to none, "now there are a number of agencies working to improve education. For example, almost every higher education institution in the Chicago area has at least one program to help increase student achievement in the city's schools."

While John F. Hawkins, principal of Woodson South Elementary School, feels site-based management "is a good thing," he cautions that autonomy should be balanced with accountability. Accountability is exactly what another piece of legislation, submitted by Illinois State Representative Mary Lou Cowlishaw and passed in May 1995, is intended to add to the Chicago school system.

The 1995 law gave Chicago Mayor Richard M. Daley sweeping managerial control over the city schools, their unions and the district's budget. "When you make a city's mayor exclusively responsible for the city's school system, you know exactly who's accountable for its success and failures," explains Cowlishaw.

"Mayor Daley is a leader who's trusted, competent and enjoys widespread support from all areas of the community," Cowlishaw says. "Because of this, [legislators] could give him extraordinary power and authority with confidence."

After the legislature abolished the existing board of education, Daley's first mandated task was to appoint five members to a new board of trustees. This board is charged with improving the quality of education services, reducing the cost of non-education services, developing a long range

financial plan to include balanced budgets, and strengthening the district's overall management.

"None of the five people appointed by the mayor is a career educator," says Robert Markin, chief of staff to the board of trustees. "They are all businesspeople with a history of accomplishment and are known for being able to get things done." The five members include one of Daley's former chiefs of staff, a former city budget director, a doctor who runs a clinic on the city's west side, a bank president and a financial director with Smith Barney Inc.

The mayor also appointed a chief executive officer who is in charge of the schools and academic business. In turn, the CEO appointed chief operating, financial, purchasing and educational officers.

The 1995 legislation also narrowed the scope of collective bargaining — excluding from negotiation, for example, class size and the privatization of some services — and imposed an 18-month prohibition on teachers' strikes.

In addition, it channeled money previously given to the Chicago school system for specific education programs into two large block grants. This move gave the mayor and his appointed administrators more flexibility in how those funds can be spent, says Cowlishaw. "We still expect the programs funded under the old system to receive allocations, but now the money can be spent more efficiently," she says. The state gave the district no additional monies.

Board members have developed a four-year balanced budget which includes a surplus, eliminates a projected $1 billion deficit and only minimally increases property taxes. They also have ratified a four-year collective-bargaining agreement with the Chicago Teachers Union.

Evidence of success in the form of increased test scores is not there yet. Cowlishaw believes, however, that two years into a massive education experiment may be too soon to expect a dramatic increase in test scores. "If we see slight gains in test scores by '99, I will be satisfied" she says.

Cowlishaw notes that "what's more important than test scores right now is the public's perception of the school system." In January 1995, when Cowlishaw began crafting the reform legislation, 410,000 students were enrolled in Chicago's public schools. While the city's population has remained constant, enrollment has risen to 427,000 students.

"In two years and one month, 17,000 students have chosen to go to a public school rather than a public or parochial school," says Cowlishaw. "This definite shift to public schools can't be anything but good, and it's more encouraging at the moment than an increase in test scores."

Cowlishaw warns, however, that "what works in one large urban area won't necessarily work in another. We've tried to listen to the people of Chicago, and patterned our reforms after what they said they wanted and thought would work."

Chicago's reforms obviously depend on strong mayoral leadership. "If you're going to try something similar to what we've done in Chicago, you will need a strong mayor willing to go to bat for education," says Markin. "You need someone who's not afraid to upset the apple cart to effect change."

Hawkins agrees, adding that "if we're going to be education leaders, then our leaders need to support education — Daley does."

But regardless of the reform strategy a struggling urban district decides upon, Hallett advises to "stay the course. We in education have a terrible habit of doing the 'reform du jour'— the ink is hardly dry on one plan before a new plan is being written."

A quote from a June 25, 1996, *Chicago Tribune* editorial, reviewing progress made during the 1995-96 school year, perhaps best sums up the Chicago education experiment: "Action replaced bureaucratic doublespeak, accountability became a reality instead of a buzzword, results began replacing process as a measure of success, and common sense became . . . common."

"We in education have a terrible habit of doing the 'reform du jour'— the ink is hardly dry on one plan before a new plan is being written."

MINNEAPOLIS

In the early 1990s, student achievement in Minnesota's largest school district was at an alarming low. Most troubling was the large gap between white and minority students. At the time, California Achievement Test results for reading and math in 2nd, 3rd, 4th, 6th, 8th and 10th grades showed the highest median ranking among black students was lower than the lowest median ranking among white students.

Feeling they had no other option, Minneapolis school board members terminated the superintendent serving at that time. "Many people had allowed an unhealthy situation to continue for too long, and we reached a point where any change would be an improvement," explains board member Ann Berget.

To replace the superintendent, school board members chose one of the district's former chiefs, who enjoyed a high degree of community confidence and credibility, to serve as interim superintendent. And they conducted a national search for a new superintendent. One of the questions raised during the process was whether the board was willing to look at alternative ways of running the district. After much deliberation, board members decided to consider innovative approaches.

"We [also] knew we wanted the credibility of the district to increase in the public eye, and we wanted to define the work of the superintendency in such a way that it could continue regardless of who's in charge," says Berget.

As the search got under way, Peter Hutchinson, who was serving as a financial consultant during the interim, surfaced as a front runner.

One of Hutchinson's strong points was that "he was a local with a well-known and respected track record," says Susan Eyestone, a longtime Minneapolis school activist and volunteer.

Berget remembers it this way: "One late afternoon in June, in a board room with west-facing windows, a heavy summer thunderstorm ended just as we passed that year's budget. Peter was standing up front, briefing us on the details of the budget when a rainbow appeared right over his shoulder — we told him it was a sign he was our pot of gold."

In December 1993, Hutchinson, along with his private consulting firm, Public Strategies Group Inc. (PSG), was hired, and Minneapolis became the first district in the nation to turn over all its operations to a private company.

Perhaps the most remarkable part of the deal was the way in which Hutchinson and company asked to be paid — for results. PSG's contract with the district was built on specific goals and pegged to results; a price tag was attached to each task. During the first six months, PSG achieved 28 of the 41 specified goals and earned $165,000 of a possible $244,000.

"[The notion of] pay for performance was the most intriguing reason we gave the contract to PSG," says Ann Karri, Minneapolis school board member and 1993-96 board chairwoman. "However, there was no rhyme or reason to the way monetary value was attached to the first work plan. We've since had to refine that process."

PSG now receives a monthly stipend "just for coming to work each day and answering the phone," says Berget, but the majority of earned wages remain performance-based.

Eyestone adds that "all of Peter's contracts are focused on student achievement, and the biggest money is attached to gains in this area."

In a July 1994 *Minneapolis Star Tribune* article, Babak Armajani, Hutchinson's PSG business partner, explained that ". . . the money is fixed, the budget is fixed, . . . the variable is the results. This arrangement is a very good one for the kids."

Additionally, the Minneapolis school district's relationship with PSG can be terminated with a 30-day notice that does not include a price tag. "If they don't like us, they just wave good-bye and we're gone," Hutchinson said in the *Star Tribune* article.

But what of results? "Our impression is that [the Minneapolis school board and PSG] really laid out a system that will be effective for kids," says Robert Wedl, Minnesota education commissioner. "They started with a set of standards and built a curriculum and assessment system around that. They also have a good site-management plan which includes written agreements as to what a site's goals are, financial incentives for meeting goals, and a system of evaluating and reporting progress. We're very supportive of the direction they're taking."

Last year's test scores in reading and math "were the highest in the last five years," says Paul Goren, Minneapolis Public Schools' executive director of policy and strategic services. "Does that indicate a direct causal link to Peter? Perhaps. In any case, it means the system is moving in the right direction." (Unfortunately, the gap between white and minority students did not decrease overall, and it narrowed only slightly between white and Asian students.)

Some observers say community support is at an all-time high. Evidence of this lies in the November 1996 passage of a ballot proposal to raise $33 million a year for operating funds to reduce class sizes. This is considered even more significant since only 18% of voting adults have school-age children.

Area teachers' unions and principals also support Hutchinson's work. "Peter has pretty solid support from teachers and principals because he's not into blaming or making examples of people's failures — he gives people a lot of latitude," says Louise Sundin, Minneapolis Federation of Teachers president. "Peter also has given us a lot of political courage and cover. For example, [after being under a desegregation court order since 1972], we have gone back to neighborhood schools. This was a very bold step."

An important component of Hutchinson's work has been institutionalizing team leadership so that any one of a group of leaders could step in and serve as superintendent. "We're not as far as PSG had intended in developing a core leadership group," says Karri. "It's been difficult to create a team of people to be the superintendency rather than one individual, and sadly, we've lost some key people in the process."

At the outset, Hutchinson said he did not want to stay more than three to five years. The end of that timeframe is in sight, and a transition plan is in the works, but as an observer, Eyestone does not sense the board is eager to end its association with PSG. "I think the board is concerned because no heir is apparent. But this is probably because Peter is a team player and promotes collaboration versus strong individual efforts."

Another task has been to develop a seamless work plan or "strategic agenda," as it has come to be known. "Regardless of who's in charge, we want the work to continue," says Karri. "I think we're getting close on this one because I hear more and more people — including teachers, parents and students — talking about the strategic agenda. Everyone's committed to going down this road."

What lessons does the Minneapolis' experience offer to other policymakers in struggling urban school districts? "Focus, focus, focus," says Berget. "Determine where you are and where you want to go, define exactly what's expected of everyone, and be exceedingly clear. Also, while being super-humanly focused, you must be super-humanly patient. Moving an institution takes time. You have to make the goals real and believable to everyone whose help you need in achieving them."

"Regardless of who's in charge, we want the work to continue."

Hutchinson adds: "Accountability for improved student achievement won't happen until public education systems focus relentlessly on it, build support and alignment for it throughout the system, supply the authority and resources necessary to achieve it, and set up arrangements to produce it. Anything less will be just that — less."

"It's [also] important for administrators to focus on seeing themselves as service providers rather than as all-powerful decisionmakers," adds Karri. "We're reaching this level of thinking, and I don't think the district will ever be the same again — we'll never go back."

For more information about ECS' urban school work, contact Christine Johnson, ECS director of policy studies, ext. 636.

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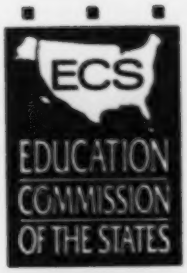

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